



TOWN OF NORTH ANDOVER

FINANCE COMMITTEE

Meeting Minutes

Meeting Date: 5 November 2009

Meeting Location: Town Hall, Second Floor
Conference Room

Meeting Called to order: 6:40 PM

I. FinCom Members in Attendance

Mark Rodgers-MR, Chairman	X	Bahrawy Ramsey -RB	
Peter Besen-PB, Vice Chairman	X	Bonnie Wilkinson-BW	
Ben Osgood-BO	X	Carlos Bielicki-CB	X
Jean Sullivan-JS		Thom Dugan-TD	X
Alan Lebovidge-AL		Herb Cunha-HC, Minutes	X

Non FinCom Members in Attendance

OTHERS: Mark Rees, MRees-Town Manager
Stan Limpert, SL-Chair. School Committee

Note: All FINCOM votes are subject to change upon receipt of new information.

II. Previous Minutes Approved

DATE: 15 Oct 2009 Approved, Unanimous

III. New Business

AGENDA ITEM: A. Update on State Budget-Mark Rees

Discussion:

- MRees: Made reference to State budget cuts. Discussed Memo to School Department showing \$186k reserve, and Municipal \$93k reserve. State didn't cut Chapter 70 and Lottery assistance, cut Education/General Funds, additional 40.5% cuts, Quinn went from \$10M to \$5M. Deficit increased from \$280k to \$366. Sub pro forma recapulation-reduced receipts versus having a Town meeting. Increased revenues by \$351k. Tax rate not supported by DOR, implies expense of Town meetings, DOR approved tax receipts provided there is a signed agreement by the BOS and School Committee. He will submit to BOS on 9 Nov, and to School Committee on 12 Nov, then can submit to Department of Revenue.
- PB: Asked if reductions at top line impact bottom line, reference to fixed cost?
- MRees: Answered, no.
- TD: Asked are we part of health insurance, GIC.
- MRees: Responded, that our rate is based upon our being self-insured and is lower than GIC rate.

AGENDA ITEM: A. Update on State Budget-Mark Rees, continued

Discussion: -MR: Mentioned that at one time savings initially looked okay but for the longer term, not.
-Merest: He mentioned that last year claims were 4% lower. Some folks went into stop loss (stop loss is \$100k). State is expected to cut more next year.

AGENDA ITEM: B. CIP Submission update -Mark Rees

Discussion: -MR: He mentioned that members are still working on CIP. Committee is to submit CIP to Town Manager 21 Oct.. Revenue Fixed Cost is due 21-28 Dec.

AGENDA ITEM: C. Revenue Discussion-Carlos Bielicki

Discussion: -MR: He stated that Osgood Property has 20 year decreasing taxes as an incentive to bring in more business.

AGENDA ITEM: D. Report on ATFC Training-Mark/Jean

Discussion: -MR: He indicated that Training Handout includes a CD for various calculations. He mentioned that crystal ball financing revenue forecasting is a scheme discussed at ATFC. One example of a town mentioned took tool as a strategy, would have been in hole millions of dollars, but used strategy for an override by taking funds and putting them into stabilization fund and draw it down with a 5 year plan for fiscal discipline. Town kept to the plan, did not have to dip into surplus.
He discussed our Town planning our needs and preparing for the future budget down turns. An example would be discussion with the Andover facility coordinator, and that there is possibly other items that can be identified and coordinated with other towns.
-PB: He spoke about recommendations about expenditures, contracts, etc. for funding considerations and present same ideas at Town Meeting.

AGENDA ITEM: **E. Forecaster Assumptions**

Discussion: -Conversation took place regarding FINCOM responsibility regarding Town Meeting. Issue about pay raises mentioned as to whether Town Meeting approves funding of a contract.
 -MR: This topic will be discussed with FINCOM members.
 -SL: He suggested pro forma budget for 2011.
 -MR: He will document financial model for FINCOM review at next meeting. He will address labor, non-labor and departmental cost will be in model and would account for impact of State aid.

AGENDA ITEM: **F. New Business**

Discussion:

AGENDA ITEM:

Discussion:

III. Old Business/Non-Agenda Items

NON-AGENDA ITEM:

Discussion:

IV. Next Meetings

Thursday, 19 Nov. 2009 Town Hall, 6:30 PM

V. Adjournment

Motion: BO
Seconded: TD

Unanimous
Time: 8:03 PM

ACTION ITEMS

C=Complete

[illegible]